

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Responsibly mined battery minerals from Europe

23



EURO
BATTERY
MINERALS

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Dear shareholders,

2023 was the big wake up year: Europe finally realized the importance of raw materials and wants to increase mining of critical and strategic minerals. The approval of the Critical Raw Materials Act (CRMA) at the beginning of 2024 cemented this development. With the green transition and the digitalization – and the unfortunate geopolitical turmoil we are facing for a foreseeable future – the need for metals mined in European is bigger than ever. For instance, copper demand is set to nearly double by 2035 to facilitate technologies needed for achieving net-zero targets by 2050. With Eurobattery Minerals' focus on responsibly mined battery minerals, the approval of the CRMA is therefore very welcome as it will pave the way for more mines on European soil.

Great advances at the battery mineral project in Finland

Looking specifically at our operations, we have focused on our Finnish Hautalampi project and progressed this important European mine project a lot during the year. Having recently achieved a significant milestone in Hautalampi with the submission of the environmental permit application to the Finnish authorities, let me do quick re-cap of what has been going on during 2023. We have completed the pre-feasibility study, which outlined key aspects of the proposed mining project, indicating promising economic viability. With a conservative metal price, the study points to a payback period of 4.6 years, and a mining life of at least 12 years. Furthermore, the study concludes that the Hautalampi project has strong technical fundamentals for the processing and production of commercial grades of Cu, Ni and Co concentrates.

Another important event was the classification of the Hautalampi ore reserves and minerals resources in the highest categories as viable mining projects in the United Nations Framework Classification for Resources (UNFC), plus the announcement of an acquisition of an additional stake in the project, making Eurobattery Minerals the majority owner.

At the end of 2023, the company decided to carry out a rights issue with the intention to, among other things, use the net proceeds for the development of the Hautalampi project. With a subscription rate of more than 77 per cent, Eurobattery Minerals received a vital injection of SEK 22.6 million.

The Finnish project is running according to plan and during 2024 we are working in several project areas. For example, detailed engineering of the concentration plant for Hautalampi and the finalization of the acquisition of FinnCobalt Oy. Furthermore, our plans also include work on the agreements for equipment and off-taking, which is part of the preparation of a bankable feasibility study. Every day we are getting closer to our vision: to make Europe self-sufficient in responsibly mined battery minerals and thereby power a cleaner world.

The Corcel project in Spain

In our Corcel battery mineral project in north-western Spain, owned to 100% by Eurobattery Minerals, we continue to await a positive decision from the Energy and Mining Authority of Galicia. The company submitted all necessary information for environmental and operating permits in August 2022. In the location, Eurobattery Minerals has a mining

license for the whole Corcel area, which has an extensive deposit of elevated nickel mineralization. In December 2022, a metallurgical study confirmed a high level of nickel worth EUR 113.9 million, only in a small part of the project.

As mentioned at the beginning, the CRMA is an important milestone as it streamlines permit procedures for the mining industry. The CRMA sets ambitious targets for local extraction, processing, and recycling, aiming for greater self-sufficiency in Europe. This suggests that the permit process in Corcel will be made easier in the near future thanks to this new EU Act.

Investment opportunity in Spain

In the latest development, at the beginning of May 2024, Eurobattery Minerals has taken a significant step forward by signing a Letter of Intent (LOI) to invest in Tungsten San Juan SL (TSJ), a Spanish company with a promising tungsten project. The project is in the same region as the Corcel project, in Galicia in northwestern Spain.

This strategic move entails a EUR 2.5 million investment for a 51% stake in TSJ, facilitating the design and construction of a processing plant and kickstarting production. With a planned start in 2025, this investment is expected to generate cash flows within 12 months, marking a pivotal moment for Eurobattery Minerals. Tungsten, a critical raw material, holds immense value across various sectors including electronics, aeronautics, and defence industries. I really want to emphasize the transformative nature of this acquisition which will position Eurobattery Minerals to be self-sufficient and aligned with Europe's mission for responsible mineral sourcing.

As a stakeholder of Eurobattery Minerals, I would like to thank you for your support. The whole team is working hard to make sure that we soon can mine battery minerals and supply responsible European sourced raw materials to power a cleaner world. Thank you!




Roberto García Martínez
CEO

EUROBATTERY MINERALS AB

Directors' Report

The Board of Directors and CEO of Eurobattery Minerals AB (publ), company registration number 556785-4236, hereby present the following Annual Report and consolidated financial statements for the operations for the 2023 financial year. All amounts are reported in SEK unless otherwise indicated.

General information on activities

The company was established in 2009 under the name Resolution Energy RE AB with the intention of conducting seismic surveys for the oil industry. The planned operations were not pursued, so the company was dormant until 2014, when the new business focus began to take shape. The company registered its current name on 28 June 2019.

Business concept

Eurobattery Minerals AB is a Swedish mining company listed on Swedish Nordic Growth Market (BAT) and German Börse Stuttgart (EBM). With the vision to make Europe self-sufficient in responsibly mined battery minerals, the company's focus is to realise numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world.

The Group

The Group consists of the Parent Company and the wholly owned subsidiary CORCEL MINERALS, S.L. – B70541792 with its head office in La Coruña, Spain. The Group also owns 70% in the associated company FinnCobalt Oy, 2300988-4 which has its head office in Outokumpu, Finland.

Head office

The company's head office is in Stockholm, Sweden.

The share

The share capital of Eurobattery Minerals AB (publ) amounted to SEK 36,594,058 on 31 December 2023. The total number of shares outstanding was 36,594,058.

During the Extraordinary General Meeting on 27 December 2023, the company decided to carry out a Rights issue of a maximum of 36,594,058 units, containing two shares and one warrant of series T04 and one warrant of series T05. At this Extraordinary General Meeting on the 27 December the Board also decided to reduce the share capital with the intention of reducing the quota value of the stock, without revocation of shares.

On 2 February 2024, the Swedish Companies Registration Office registered the completed Rights issue together with the reduction of the share capital and the quota value of the shares. After registration, the share capital amounts to SEK 41,252,735.20. The total number of outstanding shares amounts to 103,131,838.

The company was listed on AktieTorget on 22 June 2015. On 17 April 2019, the share moved to the NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN is SE0012481570. Since 15 January 2021, the share has been traded on Börse Stuttgart under the symbol EBM. According to Euroclear's register, Eurobattery Minerals had approximately 8,800 shareholders at the end of the period.

SHARE CAPITAL

Year	Event	Quota (SEK)	Change in number of shares	Changes in share capital (SEK)	Total number of shares	Total share capital (SEK)
2009	Company formation	0.10	1,000,000	100,000	1,000,000	100,000
2014	New share issue	0.10	4,000,000	400,000	5,000,000	500,000
2014	New share issue	0.07	2,750,000	55,000	7,750,000	555,000
2015	New share issue	0.04	16,876,071	337,52.42	24,626,071	892,521
2015	Share warrants	0.03	14,969,665	299,393.30	39,595,736	1,191,914
2018	New share issue	0.02	105,037,824	2,100,756.48	144,633,560	3,292,671
2018	New share issue	0.02	14,153,648	283,072.96	158,787,208	3,575,744
2018	New share issue	0.02	73,025,761	1,460,515.22	231,812,969	5,036,259

SHARE CAPITAL (continued from previous page)

Year	Event	Quota (SEK)	Change in number of shares	Changes in share capital (SEK)	Total number of shares	Total share capital (SEK)
2019	New share issue	0.02	31	0.62	231,813,000	5,036,260
2019	Merger	2,17	-229,494,870	0	2,318,130	5,036,260
2019	New share issue	2,06	3,777,089	7,554,178	6,095,219	12,590,438
2019	Reduction	1.00	0	-6,295,219	6,095,219	6,295,219
2019	New share issue	1.00	3,399,475	3,399,475	9,694,694	9,694,694
2020	New share issue	1.00	150,663	150,663	9,845,357	9,845,357
2020	New share issue	1.00	3,938,142	3,938,142	13,783,499	13,783,499
2020	Share warrants	1.00	1,895,819	1,895,819	15,679,318	15,679,318
2021	New share issue	1.00	40,185	40,185	15,719,503	15,719,503
2022	New share issue	1.00	802,734	802,734	16,522,237	16,522,237
2023	New share issue	1.00	9,172,102	9,172,102	25,694,339	25,694,339
2023	New share issue	1.00	317,901	317,901	26,012,240	26,012,240
2023	Warrants	1.00	7,134,746	7,134,746	33,146,986	33,146,986
2023	New share issue	1.00	591,216	591,216	33,738,202	33,738,202
2023	New share issue	1.00	2,855,856	2,855,856	36,594,058	36,594,058

List of shareholders on 31 December 2023

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	7,003,787	19.14 %
Nordea Bank Finland	2,562,759	7.00 %
Six Sis AG	2,171,170	5.93 %
Avanza Pension	1,302,207	3.57 %
Tetra Ekberg OY	1,234,530	3.37 %
UBS Switzerland AG	992,611	2.71 %
Ulex Recursos S.L.	687,471	1.88 %
DH Invest	502,943	1.38 %
SEB AB Luxemburg	477,000	1.30 %
Euroclear Bank S. A/N.V	464,903	1.27 %
Other shareholders	19,194,677	52.45 %
	36,594,058	100.00 %

Related-party transactions

During the 2023 financial year, earnings were affected by fees of SEK 3,251 thousand – of which SEK 1,625 thousand was paid by set-off in shares – paid to CEO Roberto García Martínez's company Nazgero Consulting Service LTD for work carried out. Earnings for the period were also impacted by SEK 1,882 thousand, paid in shares, related to a bonus program for the CEO. Gross salary and other remuneration to the CEO amount to SEK 1,421 thousand for the period.

Finally, earnings were impacted during the 2023 financial year by fees of SEK 75 thousand paid to Board Member Jan Arnbom's company Arnbom Geokonsult AB for work carried out.

Incumbent Board of Directors and CEO

- ▶ **Henrik Johannesson**, born 1975, Chairman of the Board. Joined the Board on 17 June 2020. Shareholding on 31 March 2024: 1,431,000 shares. Board fee 2023: SEK 250 thousand.
- ▶ **Roberto Garcia Martinez**, born 1970, CEO, Board Member. Joined the Board and took over as CEO on 7 March 2019. Shareholding on 31 March 2024: 4,838,452 shares. Board fee 2023: SEK 80 thousand.
- ▶ **Eckhard Cordes**, born 1950, Board Member. Joined the Board on 27 December 2023. Shareholding on 31 March 2024: 460,000 shares. Board fee 2023: SEK 0.
- ▶ **Jan Olof Arnbom**, born 1952, Board Member. Joined the Board on 28 June 2018. Shareholding on 31 March 2024: 6,516 shares. Board fee 2023: SEK 80 thousand.

GROUP

Financial overview

Earnings and sales

The company's net sales for full-year 2023 totalled SEK 0 thousand (FY 2022: SEK 0 thousand), and earnings after financial items totalled SEK -23,055 thousand (FY 2022: SEK -20,139 thousand). Operating costs amounted to SEK -23,193 thousand (FY 2022: SEK -17,212 thousand). EBITDA for full-year 2023 amounted to SEK -21,760 thousand (FY 2022: SEK -17,156 thousand). Financial items for the period amounted to SEK -1,296 thousand (FY 2022: SEK -2,983 thousand).

Investments

Investments in tangible assets for full-year 2023 totalled SEK 6,762 thousand (FY 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 30,833 thousand (FY 2022: SEK 16,017 thousand). Investments in non-current financial assets amounted to SEK -9,400 thousand (FY 2022: SEK 15,372 thousand).

Financial position

Cash and cash equivalents at year end amounted to SEK 458

thousand (YE 2022: SEK 263 thousand). Equity at year end was SEK 101,449 thousand (EY 2022: SEK 84,947 thousand).

Cash flow and financing

Cash flow from operating activities was SEK -4,170 thousand (FY 2022: SEK 4,439 thousand) for the full-year 2023. Cash flow from investing activities was SEK -28,195 thousand (FY 2022: SEK -31,390 thousand), while cash flow from financing activities was SEK 31,403 thousand (FY 2022: SEK 22,764 thousand).

Equity

The Group's equity at year end was SEK 101,449 thousand (EY 2022: SEK 84,947 thousand). During the year, a new share issue was carried out with associated warrants. The issue including the warrant amounted to a total of SEK 45,879 thousand with a subscription price of SEK 3.00 per share in the issue and SEK 2.44 for the warrant. A total of 16,624,749 shares were issued. At the end of the financial year, 36,594,058 shares were issued.

EQUITY (SEK THOUSAND)

<i>Group</i>	Share capital	Ongoing new share issue	Fund for development costs	Other contributed capital	Other equity including profit for the year	Holdings without controlling influence	Total
Equity 31/12/2022	16,522	9,172	28,130	127,862	-96,740	0	84,946
Translation differences					1,794		1,794
New share issues	20,072	-9,172		38,714			49,614
Costs for new share issue				-18,911			-18,911
Provision for development costs			32,542		-32,542		0
Profit/loss for the year					-21,970		-21,970
Holdings without controlling influence						5,976	5,976
Equity 31/12/2023	36,594	0	60,672	147,665	-149,458	5,976	101,449
<i>Parent Company</i>	Share capital	Ongoing new share issue	Fund for development costs	Share premium reserve	Profit/loss for the year, incl. retained earnings		Total
Equity 31/12/2022	16,522	9,172	1,479	127,862	-76,592		78,443
New share issues	20,072	-9,172	0	38,714			49,614
Costs for new share issue				-18,911			-18,911
Reversal of provisions			-1,479		1,479		
Translation differences							
Profit/loss for the year					-19,537		-19,537
Equity 31/12/2023	36,594	0	0	147,665	-94,652		89,608

MULTI-YEAR REVIEW

Group	2023	2022	2021
Net sales (SEK thousand)	0	0	0
Operating profit/loss (SEK thousand)	-21,760	-17,156	-17,055
Profit/loss before tax (SEK thousand)	-23,055	-20 139	-16,776
Balance sheet total (SEK thousand)	157,691	134 732	77,713
Intangible assets (SEK thousand)	141,124	60,460	44,442
Equity/assets ratio (%)	64	63	92
Number of employees	4	2	1
Parent Company	2023	2022	2021
Net sales (SEK thousand)	0	0	0
Operating profit/loss (SEK thousand)	-18,104	-28,787	-17,001
Profit/loss before tax (SEK thousand)	-19,537	-30,799	-16,722
Balance sheet total (SEK thousand)	120,275	122,877	77,899
Intangible assets (SEK thousand)	0	2,761	2,761
Shares and receivables Group companies (SEK thousand)	119,205	52,826	49 602
Reported equity/assets ratio (%)	75	64	99
Number of employees	2	2	1
Number of shares at the end of the period	36,594,058	16,522,237	15,719,503

Definitions of key performance indicators

Equity/assets ratio: Equity capital and untaxed reserves (after deductions for deferred tax) in relation to the balance sheet total.

Significant events in 2023

January–March

- ▶ In March, Eurobattery Minerals announced that FinnCobalt Oy had completed the pre-feasibility study for its Finnish Hautalampi mining project. The study, conducted by AFRY Finland, concludes that with a conservative metal price, and a total capital expenditure of EUR 65.1 million (excluding contingency) the payback period is 4.6 years. Total metal production during the anticipated 12 years of mining operations will be 11,400 tonnes of nickel and 2,900 tonnes of cobalt in the nickel-cobalt concentrate and 9,600 tonnes of copper in the copper concentrate. At the time of the announcement, Eurobattery Minerals owned 40% of FinnCobalt Oy.
- ▶ In March, Eurobattery Minerals announced that the company was exercising its option to acquire 30% of the shares in FinnCobalt Oy, the owner of the ground and mining rights to the Hautalampi nickel–cobalt– copper project. This constituted the company's second acquisition within the scope of its contracted right to acquire 100% of the shares in FinnCobalt Oy in a staged process until May 2024. Altogether, Eurobattery Minerals' stake in FinnCobalt Oy will amount to 70% following the impending acquisition.
- ▶ On 22 March, Eurobattery Minerals announced that FinnCobalt Oy submitted the Hautalampi project's environmental impact assessment (EIA) update report to the North Karelia Centre for Economic Development, Transport, and the Environment for official review as part of the assessment.
- ▶ In March, Eurobattery Minerals received the first results from the new research partnership with Uppsala University in collaboration with AGH University of Science and Technology in Krakow, Poland. The results outlined new methods for large-scale extraction of rare earth elements (REEs) allowing nearly 100% recovery of REEs in its Fetsjön project in Sweden.
- ▶ On 28 March, the company announced that Eckhard Cordes, Chairman of the Supervisory Board of Bilfinger and former member of the Board of Management of Daimler, as well as former member of the Supervisory Board of Volvo, exercised warrants and will become a shareholder in Eurobattery Minerals.



Strong economic outlook for Hautalampi mine according to pre-feasibility study.



New ground-breaking method allows nearly 100% recovery of REEs in Fetsjön.



Eckhard Cordes, Chairman of the Board of Bilfinger and former member of the Board of Management of Daimler, as well as former Board member of Volvo, exercises warrants together with Board and Management.

April–June

- ▶ In April, Eurobattery Minerals announced that the company will receive approximately SEK 17.4 million through warrant redemption. The number of shares has increased by 7,134,746, from 26,012,240 shares to 33,146,986 shares, when the new shares are registered with the Swedish Companies Registration Office. The share capital will increase by SEK 7,134,746, from SEK 26,012,240 to SEK 33,146,986, implying a dilution of approximately 21.5%.
- ▶ In May, Eurobattery Minerals announced that the Hautalampi ore reserves and minerals resources reserves have been classified in the highest categories as viable mining projects under the United Nations Framework Classification for Resources (UNFC).
- ▶ In June, Eurobattery Minerals received an additional report from the scientists in the research partnership with Uppsala University in collaboration with AGH University of Science and Technology in Krakow, Poland. The new report further confirms the viability of the new method for large-scale extraction of rare earth elements in Eurobattery Minerals' Fetsjön project in Sweden.
- ▶ On 20 June, Eurobattery Minerals announced that the Finnish Safety and Chemicals Agency (Tukes) has entered (9.6.2023) the Hautalampi mining right (K7802) in the mining register pursuant to the Mining Act (503/1965). The Hautalampi mining area has the full legal force behind it for its underground mine and its concession.
- ▶ In June, Eurobattery Minerals announced that the Outokumpu town Urban Development Board had initiated the zoning and site plan change for the Hautalampi mine project.

July–September

- ▶ On 13 July, Eurobattery Minerals announced that the Board of Directors had resolved to issue 2,855,856 shares with the support of the authorization by the shareholders meeting on 13 June 2023. The share issue constitutes part of the company's acquisition of an additional 30% of the shares of FinnCobalt Oy, the owner of the ground and mining rights to the nickel-cobalt-copper project Hautalampi. Following the closing, Eurobattery Minerals owns 70% of FinnCobalt Oy and the Hautalampi project.
- ▶ In July, Eurobattery Minerals announced that the first phase of the environmental permit process for the Hautalampi mine project had been completed successfully. The environmental impact assessment (EIA) submitted by FinnCobalt Oy in 2022, following the requested supplement submitted later in 2023, has now been fully approved by the Finnish Centre for Economic Development, Transport, and the Environment (ELY).



Eurobattery Minerals Hautalampi project achieves highest UN classifications for viable mining project.



Eurobattery Minerals Hautalampi mining right listed in Finland's official mining register.



Acquisition via a directed share issue makes Eurobattery Minerals the majority owner of Finnish mine project.



Environmental impact assessment for Finnish mining project approved.

October–December

- ▶ In October, Eurobattery Minerals announced that it will not renew its exploration licenses for its seven Swedish assets when the permits expire. The decision will enable Eurobattery Minerals to currently focus on its more advanced projects to create better shareholder value. The decision means that the company reports a non-cash flow affecting write-down of SEK 2.7 million during the third quarter.
- ▶ In October, Eurobattery Minerals announced its partnership with the Research Center for Smart Exploration led by Uppsala University in Sweden. The research centre has been granted SEK 60 million by the Swedish Foundation for Strategic Research. It is a multidisciplinary centre that will research the exploration and refinement of metals and minerals.
- ▶ In November, Eurobattery Minerals decided on a rights issue of approximately SEK 29.3 million and undertakes to carry out a convertible issue of SEK 5.0 million. The rights issue was secured to approximately SEK 22.0 million, corresponding to 75.0 per cent of the rights issue, by subscription and underwriting commitments.
- ▶ On the 18th of December 2023, Eurobattery Minerals AB announced its intention to propose Eckhard Cordes as new Board member in Eurobattery.
- ▶ In December, the Extraordinary General Meeting was held on the 27th and resolved, inter alia, to approve the board of directors' resolution on a rights issue of units and other related proposals, as well as the election of a new board member, namely Eckhard Cordes. Eckhard Cordes is a highly regarded business leader in Europe with extensive experience in the automotive industry. His previous positions include various executive roles such as CEO of the Mercedes Car Group and Member of the executive board of Daimler, and Board member of SKF, Rheinmetall, and Volvo AB. Currently, he serves as Partner at Cevian Capital and EMERAM Capital Partners, as well as the Chairman of the Supervisory Board at Bilfinger SE.



Eurobattery Minerals to focus on Finland and Spain – won't renew licenses in Sweden.



Eurobattery Minerals joins Uppsala University-led research centre on critical minerals.

Significant events after 2023

- ▶ In January, the company announced process design for the concentration plant at its battery mineral mine project in Hautalampi. The concentrator for refinement will consist of a comminution circuit (crushing and grinding), copper flotation concentrate production, nickel-cobalt flotation concentrate production, sulphur removal and tailings handling. Hautalampi concentration plant is designed to produce annually 21,000 tonnes of Ni 7%/Co 1.9% concentrate and 5,000 tonnes of Cu 25% concentrate during the anticipated 12 years of mining at the site. The designed capacity of the plant is 500,000 tonnes per annum.
- ▶ Also, in January, Eurobattery Minerals published the preliminary and final outcomes for the rights issue. The final outcome in Eurobattery Minerals AB's rights issue of approximately SEK 29.3 million showed that 28,288,738 units were subscribed for, corresponding to a subscription rate of approximately 77.3 per cent. Eurobattery thereby receives total issue proceeds of approximately SEK 22.6 million (of which SEK 1.6 million is obtained through set-off of debts) before issue costs. The net proceeds will, among other things, be used for development of the battery mineral project Hautalampi and repayment of interest-bearing debts.
- ▶ On 18 March 2024 Eurobattery Minerals announced positive results on research proving that the bedrock conditions in its Finnish Hautalampi battery minerals mine project are ideal for future mining operations. The research was carried out as an essential part and as a standard procedure of the environmental permit process to determine possible risks associated with groundwater moving in shear zones in and out of the mine and the deposit. With the analysis ready, it can be concluded that the bedrock conditions in Hautalampi are favourable for mining operations.
- ▶ At the end of April 2024, Eurobattery Minerals submitted the environmental permit application for the battery mineral mine project Hautalampi in Finland. Filing the application for the environmental permit means that the company have now taken a major step towards mining operations in Finland. The pre-feasibility studies already concluded that there is a great economic outlook for the copper, nickel, and cobalt mine in Outokumpu and Eurobattery Minerals will now work closely with the authorities in Finland to ensure a smooth and quick environmental permit process.
- ▶ At the beginning of May 2024, Eurobattery Minerals AB signed a Letter of Intent to invest a majority stake in Spanish company Tungsten San Juan SL ("TSJ"). TSJ is operating the development of the San Juan wolfram deposit, a site with appreciable mineralisation of tungsten. The Project has all the necessary licences and contracts in place to commence production, including a letter of intent for an off-take agreement with an Austrian world-leading tungsten producer within the Swedish Sandvik Group. The investment of EUR 2.5 million through a new share issue is intended to enable the start of production in 2025.
- ▶ In May, the company announced that it will apply for the battery mineral project Hautalampi to become a Strategic Project under the new EU Critical Raw Materials Act. This is an open call from the European Commission (DG GROW). The recognition of a project as a Strategic Project has several advantages, including streamlined and predictable permitting procedures and support in gaining access to finance.
- ▶ On the 15 May, the Company was pleased to announce the signing of a Memorandum of Understanding (MoU) with Okun Energia Oy, a prominent energy provider partly owned by the local municipality in Outokumpu, Finland. The MoU was signed via FinnCobalt Oy, our subsidiary in Finland, and sets forth the terms and understanding between the entities for the development of local photovoltaic (PV) production to support carbon-zero production of critical raw materials, thereby advancing the green transition.

Expected future developments, risks and uncertainties

The electric revolution is continuing at full speed and Eurobattery Minerals' business strategy of providing a sustainable foundation for this development stands firm. The combination of increased consumer demand for EVs and the focus on increased self-sufficiency in terms of these crucial battery minerals for the EU are key drivers for the company and moreover, important factors for future development. 2023 was the big wake up year: Europe finally realized the importance of raw materials and wants to increase mining of critical and strategic minerals. The approval of the Critical Raw Materials Act (CRMA) at the beginning of 2024 cemented this development.

Going concern

In order for the company to further explore projects and develop its strategy in the medium and long term, it will need additional capital also in the short term. Management and the Board of Directors are negotiating with various external parties and potential off-take partners in order to secure the company's financial capacity to develop and accelerate the company's project pipeline and to become a European mining and mineral raw materials supplier. It's the Board's assessment that there are opportunities for continued financing and thus opportunities for continued operation.

PROPOSED APPROPRIATION OF PROFITS (SEK)

Proposed appropriation of the company's profits	
Share premium reserve	147,664,534
Retained earnings	-75,113,767
Loss for the year	-19,536,561
	53,014,206
<hr/>	
The Board of Directors proposes that the following is carried forward	53,014,206

For more information on the company's results and position in general, please refer to the following income statements, balance sheets and accompanying notes. All amounts are reported in SEK unless otherwise indicated.

INCOME STATEMENT GROUP AND PARENT COMPANY (SEK)

Income statement	Note	GROUP		PARENT COMPANY	
		2023	2022	2023	2022
Operating income					
Net sales		0	0	0	0
Other operating income		1,433,781	55,801	77,841	51,578
Total operating income		1,433,781	55,801	77,841	51,578
Operating costs					
Other external costs	5,6	-16,210,513	-14,262,396	-12,594,441	-25,900,480
Staff costs	6	-4,209,163	-2,937,680	-2,825,904	-2,937,680
Depreciation of In- and tangible assets	11	-2,773,772	-11,710	-2,761,126	0
Total operating costs		-23,193,448	-17,211,786	-18,181,471	-28,838,160
Operating profit/loss		-21,759,667	-17,155,985	-18,103,630	-28,786,582
Profit/loss from financial items					
Result from associated companies		0	-964,427	0	0
Interest income and similar items	7	3,042	-1,140,937	3,042	949,597
Interest expenses and similar items	7	-1,298,637	-3,159,016	-1,435,973	-2,962,301
Total profit/loss from financial items		-1,295,595	-2,982,551	-1,432,931	-2,012,704
Profit/loss before tax		-23,055,262	-20,138,536	-19,536,561	-30,799,286
Tax on profit/loss for the year	8	0	9,373	0	0
Profit/loss for the year		-23,055,262	-20,129,163	-19,536,561	-30,799,286
Profit/loss is attributable					
- Parent Company shareholders		21,969,783			
- Holdings without controlling influence		1,085,479			
Basic earnings per share (SEK)		-1.46	-1.28	-1.18	-1.96
Diluted earnings per share (SEK)		-0.66	-1.22	-0.53	-1.86

BALANCE SHEET GROUP AND PARENT COMPANY (SEK)

		GROUP		PARENT COMPANY	
	Note	2023	2022	2023	2022
ASSETS					
Subscribed but not paid capital		0	27,516,306	0	27,516,306
Non-current assets					
Intangible assets					
Licences and mining concessions	9	80,452,369	25,844,146	0	0
Capitalised development costs	10	60,671,844	34,615,464	0	2,761,127
Total intangible assets		141,124,213	60,459,610	0	2,761,127
Tangible assets					
Machinery and equipment	11	6,791,044	41,922	0	0
Total tangible assets		6,791,044	41,922	0	0
Financial assets					
Participations in Group companies	12	0	0	111,585,796	45,780,948
Receivables from Group companies		0	0	7,619,652	7,045,290
Participations in associated companies		0	22,989,107	0	22,989,107
Paid deposits		7,973,874	78,777	78,777	78,777
Other long-term investments	13	0	15,254,644	0	16,219,314
Total financial assets		7,973,874	38,322,528	119,284,225	92,113,436
Total non-current assets		155,889,131	98,824,060	119,284,225	94,874,563
Current assets					
Current receivables					
Other receivables		813,249	8,000,227	110,332	345,690
Prepaid expenses and accrued income	14	530,653	128,699	530,653	119,840
Total current receivables		1,343,902	8,128,926	640,985	465,530
Cash and bank balances		457,563	262,655	349,434	21,088
Total current assets		1,801,465	8,391,581	990,419	486,618
Total assets		157,690,596	134,731,947	120,274,644	122,877,487

BALANCE SHEET GROUP AND PARENT COMPANY (SEK)

	Note	GROUP		PARENT COMPANY	
		2023	2022	2023	2022
EQUITY AND LIABILITIES					
Equity					
Share capital		36,594,058	16,522,237		
Ongoing new issue		0	9,172,102		
Fund for development costs		60,671,844	28,130,392		
Other contributed capital		147,664,536	127,862,331		
Other equity including profit for the year		-149,457,758	-96,739,317		
Equity attributable to parent company shareholders		95,472,680			
Holdings without controlling influence		5,975,972			
<i>Restricted equity</i>					
Share capital		0	0	36,594,058	16,522,237
Ongoing new issue		0	0	0	9,172,102
Fund for development costs		0	0	0	1,479,085
Total restricted equity		0	0	36,594,058	27,173,424
<i>Unrestricted equity</i>					
Share premium reserve		0	0	147,664,534	127,862,331
Retained earnings		0	0	-75,113,767	-45,793,566
Profit/loss for the year		0	0	-19,536,561	-30,799,286
Total unrestricted equity		0	0	53,014,206	51,269,479
Total equity		101,448,652	84,947,745	89,608,264	78,442,903
Deferred tax	15	16,531,781	5,282,364	0	0
Provisions		1,764,900	0	0	0
Long-term liabilities					
Other long-term liabilities	16	4,380,881	0	0	0
Total long-term liabilities		4,380,881	0	0	0
Current liabilities					
Liabilities to credit institutions	16	14,350,000	18,000,000	14,350,000	18,000,000
Trade payables		9,159,678	10,091,308	6,688,317	10,030,705
Other current liabilities		6,501,580	8,070,874	6,501,580	8,070,874
Accrued expenses and deferred income	17	3,553,124	8,339,656	3,126,483	8,333,005
Total current liabilities		33,564,382	44,501,838	30,666,380	44,434,584
Total equity and liabilities		157,690,596	134,731,947	120,274,644	122,877,487

STATEMENT OF CASH FLOW GROUP AND PARENT COMPANY (SEK)

	Note	GROUP		PARENT COMPANY	
		2023	2022	2023	2022
Operating activities					
Operating activities					
Profit/loss before financial items		-21,759,667	-17,155,985	-18,103,630	-28,786,582
Amortisation and depreciation		2,773,772	11,710	2,761,126	0
Interest received/paid, etc.		-1,295,595	-2,982,551	-1,432,931	-2,012,704
Cash flow from operating activities before change in working capital		-20,281,490	-20,126,826	-16,775,435	-30,799,286
Change in working capital					
Change in current receivables		27,048,590	-694,727	27,340,851	-140,663
Change in current liabilities		-10,937,456	25,260,900	-10,118,204	25,511,618
Change in working capital		16,111,134	24,566,173	17,222,647	25,370,955
Cash flow from operating activities		-4,170,356	4,439,347	447,212	-5,428,331
Investing activities					
Investments in intangible assets		-30,833,396	-16,017,388	0	0
Investments in tangible assets		-6,761,768	0	0	0
Investments in non-current financial assets		9,400,215	-15,372,177	-27,170,789	-19,560,789
Cash flow from investing activities		-28,194,949	-31,389,565	-27,170,789	-19,560,789
Financing activities					
Share issues		49,613,230	10,730,051	49,613,230	10,730,051
Costs for share issue		-18,911,307	-5,966,506	-18,911,307	-5,966,506
New loans		8,700,881	18,000,000	4,350,000	18,000,000
Repayment of loans and credits		-8,000,000	0	-8,000,000	0
Cash flow from financing activities		31,402,804	22,763,545	27,051,923	22,763,545
Translation differences		1,157,409	1,617,591	0	-13,480
Change to cash and cash equivalents		194,908	-2,569,082	328,346	-2,239,055
Cash and cash equivalents at the beginning of the year		262,655	2,831,737	21,088	2,260,143
Cash and cash equivalents at end of year		457,563	262,655	349,434	21,088

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The company has prepared its Annual Report according to the Annual Accounts Act and BFNAR 2012:1, Annual Reports, and consolidated accounts (K3).

Valuation principles, etc.

Assets, provisions, and liabilities have been measured at cost/nominal amount unless otherwise indicated.

Consolidation principles

Eurobattery Minerals AB (publ) prepares consolidated financial statements. The company in which Eurobattery Minerals AB (publ) holds the majority of the votes at the Annual General Meeting and in which Eurobattery Minerals AB (publ) has a controlling influence is classified as a subsidiary and is consolidated in the consolidated financial statements (see Note 2). Information on Group companies is included in the note on non-current financial assets. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value at the time of acquisition. Goodwill consists of the difference between the identifiable net assets acquired at the time of acquisition and the cost and is initially measured at cost.

Balances between Group companies are eliminated in full.

Group relationships

Eurobattery Minerals AB (publ), company registration number 556785-4236, in Stockholm, Sweden, is the Parent Company of wholly owned subsidiary CORCEL MINERALS, S.L. – B70541792, La Coruña, Spain. The company also owns 70% in the associated company FinnCobalt Oy, 2300988-4 with its head office in Outokumpu, Finland.

Definition of average number of shares

To calculate the average number of shares, the company uses the ratio on the balance sheet date. If a split or merger of shares has occurred during the year, the number of shares included in the period will be converted to reflect the ratio on the balance sheet date.

Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and any impairment.

Amortisation takes place straight-line over the estimated useful life. The amortisation period for patents, licenses and internally generated intangible assets is five years. The company's holdings consist of exploration permits, geological information and exploration costs. As no extraction has begun, there is no amortisation at this time.

Tangible assets

Tangible assets are recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When a component of a non-current asset is replaced, any remaining portion of the old component is scrapped and the new component's cost is capitalised.

Additional expenses related to assets that are not broken down into components are added to the acquisition cost if they are expected to provide the company with future economic benefits, to the extent of the asset's performance increases in relation to the asset's value at acquisition.

Expenditures for ongoing repairs and maintenance are reported as expenses.

A capital gain or capital loss on disposal of a fixed asset is recognised as Other operating income or Other operating costs.

Tangible assets are depreciated systematically over the asset's estimated useful life. The asset's residual value is taken into account, where applicable, in determining the asset's depreciable amount. The straight-line depreciation method is used for other types of tangible assets. The following depreciation periods are applied:

Depreciation of tangible assets:

Equipment, tools, fixtures and fittings 5 years

Receivables

Receivables have been recognised at the amounts expected to be paid after deductions for individually assessed doubtful receivables.

Foreign currencies

Assets and liabilities in foreign currencies are valued at closing day rate.

Other securities held as fixed assets

Other securities held as fixed assets are intended for

long-term holdings and are recognised at cost. If a long-term securities holding has a lower value than the book value on the balance sheet date, the asset is written down to this lower value if it can be assumed that the decline in value is permanent.

Income tax

Reported income tax includes taxes to be paid or received for the current year, adjustments to previous years' taxes, and participations in associated companies' taxes. Tax liabilities/receivables are valued at the amounts the company estimates should be paid to or received from the tax authority. The assessment is made based on tax rules and tax rates which are already decided or are announced and likely to be adopted. For items that are recognised in the income statement, related tax effects are also recognised in the income statement. The tax effects of items that are recognised directly against equity are recognised in equity.

Statement of cash flow

The statement of cash flow is prepared according to the indirect method. Reported cash flow includes only transactions involving receipts or disbursements.

Cash and cash equivalents include cash and bank balances and short-term financial investments that are only exposed to an insignificant risk of changes in value, managed in an open market and have a maturity of less than three months from the acquisition date.

Parent Company's accounting and valuation principles

The Parent Company applies the same accounting and valuation principles as the Group, except in the cases given below.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognised at cost less any impairment. The cost includes the price paid for the shares and acquisition costs. Any capital injections and Group contributions are added to cost when paid. Dividends from subsidiaries are reported as income.

Equity

Equity is divided into restricted and unrestricted equity, in accordance with the division in the Swedish Annual Accounts Act.

Leasing

The company has no current or historical leases.

NOTE 2 ESTIMATES AND ASSESSMENTS

The company considers it probable that the intangible and financial assets that are reported will generate future economic benefits that will accrue to the company. No

new assumptions about the future have been made that have resulted in a significant risk for adjustment of the carrying amounts of assets and liabilities.

NOTE 3 FINANCIAL RISKS IN THE GROUP

Laws and regulations

Eurobattery Minerals AB's (publ) activities include the entire chain of exploration activities from boulder exploration and geological mapping via geophysical soil measurements and geochemical sampling to diamond drilling. The Swedish Minerals Act (1991:45) regulates the exploration and mining of deposits of mineral substances known as "Concession Minerals" regardless of who owns the land.

Exploration may only be carried out by the party who has been granted the exploration permit, and mining only by the party who has been granted the mining permit. In addition to the Minerals Act, operations are also regulated by other relevant rules, including the Minerals Ordinance (1992:285), the Planning and Building Act (1987:10) and the Swedish Environmental Code (1998:808).

The company may conduct activities subject to permits pursuant to the Environmental Code for certain types of exploration work. To date, the environmental impact of exploration has been minor. In its activities, Eurobattery Minerals AB (publ) follows the guidelines for good environmental practice in exploration produced by SveMin (an industry association for mines, mineral and metal producers in Sweden).

Risks and uncertainties

Like all businesses, Eurobattery Minerals AB's (publ) operations are associated with risk. These risks can

generally be divided into risks related to business operations and risks related to financial operations. Operations must also be evaluated in light of the risks, costs and difficulties that exploration companies often face.

According to the Board's assessment, the two most material risks are financing requirements and access to capital, and exploration risk. The exploration industry is capital intensive, which means that further financing will be required for the favourable development of the company. The Board of Directors and management team work continuously to secure the company's capital requirements.

Operational risks

Exploration

The risks in an exploration company such as Eurobattery Minerals AB (publ) are mainly linked to the outcome of the exploration activities themselves. Although the data collected is continuously analysed and evaluated carefully, there is always the risk that positive results will fail to materialise. Ore exploration is by its very nature a high-risk business – with only a few surveyed areas leading to the development of producing mines – and therefore constitutes a significant financial risk.

In its Finnish Hautalampi mine development project, Eurobattery Minerals AB (publ) has received the pre-feasibility study pointing at a strong economic outlook. For its other projects, Eurobattery Minerals AB (publ) has found indications of the occurrences of different metals in several places, but the company is still in the process of establishing the economic value of them. Although careful analyses and assessments are made of deposits, the company still needs to continue with several processes before establishing the commercial levels and determining whether other obstacles will arise.

Permit issues relating to exploration as well as obtaining the necessary permits and rights can also pose a risk.

Environment

Great consideration must be given to the environmental impact of operations. Accordingly, it may not be possible to explore certain deposits. One conceivable consequence is a deterioration in the possibility of disposing of these deposits.

Employees

Eurobattery Minerals AB (publ) is dependent both on internal and external qualified expertise. The company's

organisation is currently limited. The ability to retain permanent or hired staff as well as the possibility of recruiting new employees is decisive for the company's future development. The Board of Directors and management continuously evaluate alternative solutions to optimally conduct operations.

Competitors

In some cases, exploration companies can compete for the same object or area. Areas around existing ore fields and mines are usually most exposed to competition. If Eurobattery Minerals AB (publ) fails to find new deposits or mineralisations due to competition, this could have a negative impact on the company's position in the exploration market.

Legal requirements

Mining activities are regulated by laws and regulations and are carefully controlled by various authorities. Activities are subject to particularly far-reaching environmental regulations. Permits are required for a large number of activities. Authorities, organisations, and land and property owners can therefore delay or stop a project through lengthy processing time, appeals or by not granting applications for exploration permits. Legislative changes can also be detrimental to the business.

Financial risks

Liquidity

Liquidity risk means that payment obligations cannot be met as a result of insufficient liquidity.

Prices of raw materials

A fall in metal prices could affect the value of mineral assets and potential reserves to varying degrees. Base and precious metals are global raw materials. Prices for these on the global market have shown large fluctuations in the past. Prices for other metals also show large fluctuations. Metal market price trends are affected by many factors beyond the company's control, including supply and demand, exchange rates, inflation, changes in the global economy, and political factors. If metal prices fall, this could have a negative impact on the value of Eurobattery Minerals AB's (publ) project portfolio.

Economic developments

External factors such as supply and demand, and recessions and booms may have an impact on operating costs, global market prices for metals and share valuations. Future revenues and share valuations may be affected by these factors, which are beyond the company's control.

NOTE 4 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- ▶ In January, the company announced process design for the concentration plant at its battery mineral mine project in Hautalampi. The concentrator for refinement will consist of a comminution circuit (crushing and grinding), copper flotation concentrate production, nickel-cobalt flotation concentrate production, sulphur removal and tailings handling. Hautalampi concentration plant is designed to produce annually 21,000 tonnes of Ni 7%/Co 1.9% concentrate and 5,000 tonnes of Cu 25% concentrate during the anticipated 12 years of mining at the site. The designed capacity of the plant is 500,000 tonnes per annum.
- ▶ Also, in January, Eurobattery Minerals published the preliminary and final outcomes for the rights issue. The final outcome in Eurobattery Minerals AB's rights issue of approximately SEK 29.3 million showed that 28,288,738 units were subscribed for, corresponding to a subscription rate of approximately 77.3 per cent. Eurobattery thereby receives total issue proceeds of approximately SEK 22.6 million (of which SEK 1.6 million is obtained through set-off of debts) before issue costs. The net proceeds will, among other things, be used for development of the battery mineral project Hautalampi and repayment of interest-bearing debts.
- ▶ On 18 March 2024 Eurobattery Minerals announced positive results on research proving that the bedrock conditions in its Finnish Hautalampi battery minerals mine project are ideal for future mining operations. The research was carried out as an essential part and as a standard procedure of the environmental permit process to determine possible risks associated with groundwater moving in shear zones in and out of the mine and the deposit. With the analysis ready, it can be concluded that the bedrock conditions in Hautalampi are favourable for mining operations.
- ▶ At the end of April 2024, Eurobattery Minerals submitted the environmental permit application for the battery mineral mine project Hautalampi in Finland. Filing the application for the environmental permit means that the company have now taken a major step towards mining operations in Finland. The pre-feasibility studies already concluded that there is a great economic outlook for the copper, nickel, and cobalt mine in Outokumpu and Eurobattery Minerals will now work closely with the authorities in Finland to ensure a smooth and quick environmental permit process.
- ▶ At the beginning of May 2024, Eurobattery Minerals AB signed a Letter of Intent to invest a majority stake in Spanish company Tungsten San Juan SL ("TSJ"). TSJ is operating the development of the San Juan wolfram deposit, a site with appreciable mineralisation of tungsten. The Project has all the necessary licences and contracts in place to commence production, including a letter of intent for an off-take agreement with an Austrian world-leading tungsten producer within the Swedish Sandvik Group. The investment of EUR 2.5 million through a new share issue is intended to enable the start of production in 2025.
- ▶ In May, the company announced that it will apply for the battery mineral project Hautalampi to become a Strategic Project under the new EU Critical Raw Materials Act. This is an open call from the European Commission (DG GROW). The recognition of a project as a Strategic Project has several advantages, including streamlined and predictable permitting procedures and support in gaining access to finance.
- ▶ On the 15 May, the Company was pleased to announce the signing of a Memorandum of Understanding (MoU) with Okun Energia Oy, a prominent energy provider partly owned by the local municipality in Outokumpu, Finland. The MoU was signed via FinnCobalt Oy, our subsidiary in Finland, and sets forth the terms and understanding between the entities for the development of local photovoltaic (PV) production to support carbon-zero production of critical raw materials, thereby advancing the green transition.

NOTE 5 REMUNERATION TO THE GROUP'S AUDITORS

	GROUP		PARENT COMPANY	
<i>Baker Tilly MLT KB</i>	2023	2022	2023	2022
Audit assignment	249,438	123,500	151,716	123,500
Auditing activities other than the auditing assignment	109,978	5,000	109,978	5,000
Total	359,416	128,500	261,694	128,500

NOTE 6 EMPLOYEES, SALARIES AND BENEFITS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Number of employees at the end of the year				
Sweden	2	2	2	2
Finland	2	0	0	0
Of which women %	0%	0%	0%	0%
Total number of employees at the end of the year	4	2	2	2
Board and senior executives				
Board	3	3	3	3
Of which women %	0%	0%	0%	0%
Senior executives	1	0	1	0
Of which women %	0%	0%	0%	0%
Total, Board and senior executives	4	3	4	3
Salaries, other benefits and social security contributions (SEK thousand)				
Board and senior executives	1,794,395	1,695,692	1,794,395	1,695,692
Other employees	1,236,150	902,086	410,020	902,086
Social security contributions	1,023,003	339,902	621,489	339,902
Pension expenses	0	0	0	0
Total salaries and benefits	4,053,548	2,937,680	2,825,904	2,937,680
Invoiced consulting services from Board members	5,208,704	3,934,838	5,208,704	3,934,838
Total staff costs	9,262,252	6,872,518	8,034,608	6,872,518

No pensions or similar benefits were paid in 2023 or 2022.

NOTE 7 PROFIT/LOSS FROM FINANCIAL ITEMS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Interest expenses and similar items				
Interest expenses and similar items	-1,496,097	-3,159,061	-1,435,973	-2,962,301
Exchange rate losses	197,460	-964,427	0	0
Total	-1,298,637	-4,123,488	-1,435,973	-2,962,301

NOTE 8 TAX ON PROFIT/LOSS FOR THE YEAR

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Current tax	0	0	0	0
Deferred tax	0	9,373	0	0
Total	0	9,373	0	0
Reconciliation of effective tax:				
Profit/loss before tax	23,055,262	-20,138,536	-19,536,561	-30,799,286
Tax expense 20.6%	4,749,384	4,148,538	4,024,532	6,344,653
Tax effect:				
Tax adjustments for foreign tax	0	9,373	0	0
Changed tax rate for deferred tax	0	0	0	0
Unmeasured deficit	-4,749,384	-4,148,538	-4,024,532	-6,344,653
Total	0	9,373	0	0

NOTE 9 LICENCES AND MINING CONCESSIONS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	25,844,146	25,844,146	0	0
Purchases through acquisition of subsidiaries	54,608,223	0	0	0
Closing accumulated cost	80,452,369	25,844,146	0	0
Opening amortisation	0	0	0	0
Amortisation for the year	0	0	0	0
Closing accumulated amortisation	0	0	0	0
Closing residual value according to plan	80,452,369	25,844,146	0	0

Refers to acquired exploration permits and geological information. As no extraction has begun there is no amortisation at this time.

NOTE 10 CAPITALISED DEVELOPMENT COSTS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	34,615,464	18,598,076	2,761,127	2,761,127
Purchases through acquisition of subsidiaries	20,975,615	0	0	0
Disposals for the year	-2,761,127	0	-2,761,127	0
Purchases for the year	7,841,892	16,017,388	0	0
Closing accumulated cost	60,671,844	34,615,464	0	2,761,127
Opening amortisation	0	0	0	0
Amortisation for the year	0	0	0	0
Closing accumulated amortisation	0	0	0	0
Closing residual value according to plan	60,671,844	34,615,464	0	2,761,127

Refers to work on the preparation of geological information and exploration costs. As no extraction has begun there is no amortisation at this time.

NOTE 11 TANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	61,664	62,429	0	0
Translation differences	292	-765	0	0
Purchases through acquisition of subsidiaries	6,761,476	0	0	0
Closing accumulated cost	6,823,432	61,664	0	0
Opening depreciation	-19,742	-8,032	0	0
Depreciation for the year	-12,646	-11,710	0	0
Closing accumulated depreciation	-32,388	-19,742	0	0
Closing residual value according to plan	6,791,044	41,922	0	0

NOTE 12 PARTICIPATIONS IN GROUP COMPANIES

Group	Corporate ID number	Domicile	Share of capital (%)	Number of shares	Book value in Parent Company 2022
Corcel Minerals, S.L.	B70541792	Coruna, Spain	100	567	45,780,948
FinnCobalt Oy	2300988-4	Outokumpu, Finland	70	2,625	65,779,848
Book value in Parent company					111,560,796

	Equity	Result
Corcel Minerals, S.L.	21,465,125	-94,275
FinnCobalt Oy	20,179,522	-7,842,906

Book value in Parent company	2023	2022
Opening cost	45,780,948	43,465,016
Acquisition for the year	37,578,669	0
Reclassification for the year	28,201,179	
Shareholders contribution for the year	0	2,315,932
Closing cost	111,560,796	45,780,948
Opening impairment	0	0
Disposals for the year	0	0
Impairment for the year	0	0
Closing impairment	0	0
Book value	111,560,796	45,780,948

The acquisition value of shares in subsidiaries includes estimated surplus values of concessions and permits.

NOTE 13 OTHER LONG-TERM INVESTMENTS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	15,254,644	22,871,574	16,219,314	22,871,574
This year's reclassification	-28,201,179	-9,560,530	-28,201,179	-9,560,530
Translation differences	0	-964,670	0	0
Purchases for the year	12,946,535	2,908,270	11,981,865	2,908,270
Closing accumulated cost	0	15,254,644	0	16,219,314
Opening depreciation	0	0	0	0
Depreciation for the year	0	0	0	0
Closing accumulated depreciation	0	0	0	0
Closing residual value according to plan	0	15,254,644	0	16,219,314

Purchases for the year and the opening cost has during the year reclassified to share's in Group companies.

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Prepaid rents	26,840	26,840	26,840	26,840
Other prepaid expenses and accrued income	503,813	101,859	503,813	93,000
Total prepaid expenses and accrued income	530,653	128,699	530,653	119,840

NOTE 15 DEFERRED TAX

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Deferred tax on temporary differences, mining concessions	16,779,941	5,291,066	0	0
Translation differences	-202,753	671	0	0
Tax losses	-45,407	-9,373	0	0
Total	16,531,781	5,282,364	0	0

NOTE 16 INTEREST-BEARING LIABILITIES

			GROUP		PARENT COMPANY	
Long-term liabilities	Interest type	Due date	2023	2022	2023	2022
Other long-term liabilities	fixed	2028-01-24	4,380,881	0	0	0
Total			4,380,881	0	0	0
			GROUP		PARENT COMPANY	
Short-term liabilities	Interest type	Due date	2023	2023	2023	2022
Bridge-loan	fixed	2024-01-31	4,350,000	8,000,000	4,350,000	8,000,000
Convertible debenture	fixed	2024-01-31	10,000,000	10,000,000	10,000,000	10,000,000
Total			14,350,000	18,000,000	14,350,000	18,000,000

The Convertible Debenture of SEK 10,000,000 and the bridgeloan of SEK 4,350,000 has been repaid on the due date January 31, 2024.

NOTE 17 ACCRUED EXPENSES

		GROUP		PARENT COMPANY	
		2023	2022	2023	2022
Accrued fees		432,082	1,311,997	432,082	1,311,997
Accrued expenses new issue		1,106,864	4,037,799	1,106,864	4,037,799
Other accrued expenses		2,014,178	2,989,860	1,587,537	2,983,212
Total accrued expenses		3,553,124	8,339,656	3,126,483	8,333,008

NOTE 18 APPROPRIATIONS

The accumulated profit of SEK 53,014,206 is at the disposal of the AGM. The Board of Directors proposes that the amount be carried forward.

Stockholm, May 16, 2024

Eurobattery Minerals AB (publ)

DocuSigned by:

Henrik Johannesson
1BA4BD3647DAED...

Chairman

DocuSigned by:

Roberto Garcia Martinez
4407F2D0980543C...

Chief Executive Officer

DocuSigned by:

Eckhard Lordes
F370738DB8174F8...

Board member

DocuSigned by:

Jan Olof Arnbom
33F912C417A241B...

Board member

My auditor's report was submitted on May 16, 2024

DocuSigned by:

Stein Karlsen
BD9AFA227CC743E...

Authorised public accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Eurobattery Minerals AB (publ)
Corporate identity number 556785-4236

Report on the annual accounts and consolidated accounts

Opinions

I have audited the annual accounts and consolidated accounts of Eurobattery Minerals AB (publ) for the year 2023.

In my opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Significant uncertainty regarding the going concern assumption

Without prejudice to my opinion above, I would like to draw attention to the statement in the Directors' Report that the company is dependent on further capital injection in 2024 to ensure its continued operation. The board is negotiating with external stakeholders for a long term solution to strengthen the company's liquidity and equity. It is the board's assessment that there are good opportunities for continued financing. The above indicates that there is a material uncertainty, which may cast significant doubt on the company's ability to continue as a going concern.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1. The Board of Directors and the Managing Director are responsible for this other information.

My opinion on the annual accounts and consolidated accounts does not cover this other information and I do not express any form of assurance conclusion regarding this other information.

In connection with my audit of the annual accounts and consolidated accounts, my responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure I also take into account my knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If I, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts and consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have also audited the administration of the Board of Directors and the Managing Director of Eurobattery Minerals AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This

includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined whether the proposal is in accordance with the Companies Act.

Malmö on 16 May 2024

DocuSigned by:

Stein Karlsen
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Authorized Public Accountant Far



Eurobattery Minerals AB is a Swedish mining company listed on Swedish Nordic Growth Market (BAT) and German Börse Stuttgart (EBM). With the vision to make Europe self-sufficient in responsibly mined battery minerals, the company's focus is to realize numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world. Please visit www.eurobatteryminerals.com for more information. Feel free to follow us on LinkedIn and Twitter as well.

Augment Partners AB, e-mail: info@augment.se, phone: +46 8-604 22 55, is the company's Mentor.

